



Spending Plan Worksheet

- Instructions:
1. Calculate monthly net income under heading 1.
 2. Estimate monthly expenses (sum of fixed (2a), controllable (2b), and monthly portion of periodic expenses (2c)).
 3. Compare income and expenses (3) and make adjustments.

1. Monthly net income		<i>Credit card payments</i>	
Gross* monthly wages	\$ _____		\$ _____
Gross monthly wages of others			\$ _____
in home	\$ _____		\$ _____
Public assistance/food stamps	\$ _____		
Unemployment/disability	\$ _____	<i>Auto</i>	
Child support/alimony	\$ _____	Loan payment	\$ _____
Social Security/retirement	\$ _____	Insurance**	\$ _____
Other	\$ _____	License	\$ _____
Other	\$ _____	<i>Child support/alimony</i>	\$ _____
Total monthly income	\$ _____	<i>Life insurance**</i>	\$ _____
		<i>Savings (regular amounts)</i>	\$ _____
2a. Fixed expenses		<i>Payroll deductions</i>	\$ _____
<i>Housing</i>		Federal + state income tax	\$ _____
Rent or mortgage	\$ _____	Savings plans	\$ _____
Insurance/taxes	\$ _____	Social Security	\$ _____
<i>Utilities</i>		Insurance premiums	\$ _____
Telephone	\$ _____	Other	\$ _____
Heating (equal payment plan)	\$ _____	<i>Other</i>	
Electricity (equal payment plan)	\$ _____		\$ _____
Trash/garbage	\$ _____		\$ _____
Water	\$ _____		\$ _____
Sewer	\$ _____		
Cable	\$ _____	Total monthly estimated fixed expenses	\$ _____
Internet service provider	\$ _____		
Other:	\$ _____		

2b. Controllable expenses

Food

Groceries \$ _____

Food eaten out \$ _____

Household expenses

Repairs and supplies \$ _____

Furnishings and appliances \$ _____

Exterior upkeep \$ _____

Transportation

Gas and repairs \$ _____

Other transportation \$ _____

Personal care \$ _____

Medical care \$ _____

Education/reading \$ _____

Travel/entertainment \$ _____

Child/eldercare \$ _____

Charity/gifts/special expenses \$ _____

Clothing \$ _____

Savings \$ _____

Other \$ _____

Total monthly estimated controllable expenses \$ _____

2c. Periodic expenses

Refer to Exercise I-8, page 18.

Periodic expenses come up infrequently (e.g., 1–4 times per year) and include taxes, insurance premiums, auto servicing, tires, licensing, birthdays and holidays, educational costs, vacations, etc. Fill in the estimated costs next to the months they are due. Do not include taxes withheld from your paycheck but do include estimated tax payments you make to the Internal Revenue Service (IRS).

Adapted from: Matejic, D., *Programming My Dollars: Where Does My Money Go?* FS063, Rutgers Cooperative Extension. <http://www.njaes.rutgers.edu/pubs/publication.asp?pid=FS063>

Add your total periodic expenses for the year and divide by 12 to determine the total monthly portion.

January \$ _____

February \$ _____

March \$ _____

April \$ _____

May \$ _____

June \$ _____

July \$ _____

August \$ _____

September \$ _____

October \$ _____

November \$ _____

December \$ _____

Total periodic expenses \$ _____

$$\frac{\text{Total periodic expenses}}{12} = \text{Monthly portion periodic expenses}$$

3. Compare income and expenses.

Total monthly income \$ _____

Estimated expenses.

Fixed \$ _____

Controllable \$ _____

Periodic (monthly portion) \$ _____

Total expenses – \$ _____

Balance \$ _____

Now that you have a spending plan, you should make every effort to stick to the designated amounts in each category. It is not enough just to have a plan on paper.

* Before tax withholding and other deductions.

** Monthly portion of premiums if *not* paid by employer or automatically deducted from your paycheck or listed with your periodic expenses on page 18.



Finding Money to Save Worksheet

If we could do this	We could save this (/month)	Your figures
Reduce credit card dept	20.00	_____
Practice smart food buying	25.00	_____
Reduce life insurance costs	30.00	_____
Reduce spending on the lottery or bingo	25.00	_____
Other _____		_____
Other _____		_____
Other _____		_____
Total estimated savings/month	100.00	_____

(e.g., via a ledger with headings for different expense categories). Each time money is added or spent in a category, the balance changes. Surpluses or deficits in an expense category (e.g., food) can carry over from month to month. The amount in the overall bank account, however, should always remain “in the black.”

Spreadsheet system. Two columns are listed on a sheet of paper: “target amount” and “actual amount.” “Target amount” is anticipated income and expenses while “actual amount” lists what really happened. This method provides a comparison of planned and actual figures so that adjustments can be made, if needed.

“Running balance” system. This method tracks one account in which funds are held for bill paying. Using a calendar with paydays marked and a list of monthly and occasional (e.g., quarterly property tax) expenses, a projection is made of income and expenses for a 3- to 6-month period. “Extra” paychecks (e.g., a month with five weekly paydays) and occasional expenses (e.g., quarterly property taxes) are inserted as they occur. The ending balance is carried forward into subsequent projections.

Reserve accounts. Many people establish special accounts as a “parking place” for earmarked money.

An example is a reserve for occasional expenses. The annual cost for each expense is divided by 12 and saved monthly. Other common reserve accounts are money set aside monthly for home maintenance and emergencies (e.g., unemployment).

On page 22 are examples of three different ways to track expenses versus income.

Managing an Unpredictable Income

For many people, managing money is a fairly predictable process. They earn the same income each month and pay roughly the same expenses. Of course, there are occasional surprises (e.g., a flat tire), but more often than not, income and household expenses remain pretty much the same. This makes it easy to plan bank deposits so that sufficient money is available to pay bills.

For other people, however, income is irregular and can vary considerably from month to month. For example, real estate agents generally earn the most during the summer. Winter months, on the other hand, often bring a reduced income. Unpredictable and/or irregular income is also a fact of life for many other occupations, including landscapers and self-employed consultants.



Net Worth Statement

An important step in gaining financial control is to take an accounting of your total financial worth. Every year, your net worth should be tabulated to enable you to review your progress and compare it with your financial goals. In addition, a net worth statement is a valuable aid in planning your estate and establishing a record for loan or insurance purposes.

Assets—what you own*

Cash on hand _____
Checking account _____
Savings account _____
Money markets _____
Other _____
Cash value life insurance _____

Real estate/property:

Home _____
Land _____
Other _____

Investments (market value):

Certificates of deposit _____
Stocks _____
IRAs _____
Bonds _____
Mutual funds _____
Annuities _____
401(k) or 403(b) plans _____
Pension plan _____
Other _____

Personal property (present value):

Auto _____
Recreational vehicle/boat _____
Home furnishings _____
Appliances and furniture _____
Collections _____
Jewelry and furs _____
Other _____

Total assets \$ _____

Liabilities—what you owe

Current debts:

Household _____
Medical _____
Credit cards _____
Department store cards _____
Back taxes _____
Legal _____
Other _____

Mortgages:

Home _____
Land _____
Other _____

Loans:

Bank/finance company _____
Bank/finance company _____
Automobiles _____
Recreational vehicle/boat _____
Education _____
Life insurance _____
Personal (from family or friends) _____

Other

Credit cards _____
(long-term payoff) _____

Total debts \$ _____

Net worth (assets - debts) \$ _____

* Use the following codes for couples: (M) me, (P) partner, (J) joint, e.g., mutual funds \$2,000 (J), stock \$5000 (P).

Items to keep in an inactive home file include:

- selected active file papers more than 3 years old.
- copies of legal documents stored in one's safe deposit box (e.g., birth and death certificates)
- correspondence related to important legal matters (e.g., adoption or a lawsuit)
- insurance accident reports and claim forms.
- property improvement records (e.g., receipts or paid vouchers)
- tax returns that are 4 or more years old

One way to take charge of your finances is to get your important papers organized. Use the *How Organized Are You?* worksheet (Exercise I-15) to analyze your current organizational skills and record-keeping practices. Use the six-page *A Record of Important Family Papers* worksheet (Exercise I-16) on pages 33–41 to record important household financial data. Another record-keeping suggestion is to have an emergency moveable file in case you need to leave your home in a hurry (e.g., hurricane).

How Organized Are You?

For each statement, place a check mark in the column that most accurately describes your own behavior or situation.

	Yes	No	Sometimes
1. I have a home filing system that works well for me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. My spouse/partner, children, and/or another relative or friend know the whereabouts of my life insurance policy.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I know the contents of all my storage boxes without having to look inside.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I know where my income tax papers of 3 years ago are located, and in the event of my death, a relative or friend also would be able to locate them.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. I have a system for handling incoming mail.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. I have two copies of a household inventory—one is stored at home and one is in my safe deposit box.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. I make a written "to-do" list with identified priorities for the day or week.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. I expect interruptions to occur during the course of a normal day and keep my daily schedule flexible enough to allow for such occurrences.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. At the end of most days, I feel I've accomplished the most important tasks I had planned to do.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Adapted from: Marilyn Sugden and Kathy Prochaska-Cue, Extension Family Economics and Management Specialists, as part of the *Can't Find It? Put Your House in Order!* lesson. Nebraska Cooperative Extension.

Financial Freedom

- Manage Spending
- Plan for Financial Emergencies
- Become Debt Free
- Plan for Retirement
- Teach Kids About Money
- Pay Off Home Early
- Build a Legacy



Your Minimum “Need to Knows” about Financial Planning Basics

- People’s feelings about money greatly influence spending and saving decisions.
- Emotional baggage-Harmful thoughts and feelings about money can hold you back from achieving financial success.
- Personal qualities, such as focus, discipline, and a positive attitude, are related to financial success.
- Frequent monitoring of financial health is as important as an annual physical with a doctor.
- Even relatively small dollar amounts will grow to significant sums with compound interest (earning interest on interest).
- People generally spend money in ways that are consistent with their values.
- Financial goals should be specific, with an estimated time deadline and dollar cost.
- SMART- Specific, Measurable, Achievable, Realistic, Timely.
- Investment decisions should be based on financial goals so that appropriate assets are chosen.
- Three to six months’ expenses or more should be set aside in reserve as an emergency fund.
- Credit terms should be compared and negotiated just like any other consumer purchase.
- A spending plan is a plan for spending and saving money. Income should equal household expenses plus savings for financial goals.
- If earnings are irregular, base your budget on average expenses. Shift income from high-earning months to low-earning months to manage successfully.
- A net worth statement provides a snapshot of your finances (assets minus debts) and should be calculated annually to measure financial progress.
- Credit files and credit scores should be checked periodically and errors, if any, should be corrected promptly.
- Credit traps are products and features that can greatly increase the cost of borrowing; they should be avoided.
- Important papers that are difficult to replace should be kept in a safe deposit box.
- “If it is to be (i.e., financial success), it is up to me.”

<https://wyoextension.org/tetoncounty/community-development-education/financial-literacy/> (Ctrl Click link + Record of Important Papers to open document).